

FISCAL NOTE
SB 1351 - HB 1075

March 19, 2001

SUMMARY OF BILL: Requires that the state employee health insurance plan comply with all health insurance mandates in current state law. Requires the state insurance committee to perform an annual review of all benefits and health insurance coverage and report to the Fiscal Review Committee.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Less Than \$100,000

Increase Local Govt Expenditures - Less Than \$100,000

According to the Department of Finance and Administration, there are 30 mandated coverage items specified in TCA title 56 chapter 7. The state employee health plan is in compliance with 29 of the 30 requirements. The state plan does not meet the requirement specified in TCA 56-7-2503 that requires that the out-of-pocket maximum for the treatment of mental illness and substance abuse be no greater than the maximum for any other illness. The extension of the out-of-pocket maximum would increase claims expenses by an amount estimated to be less than \$100,000. Based on an analysis of the state plan PPO option in calendar year 1999, the change would impact few enrollees and would have cost approximately \$25,000.

Estimate assumes a similar impact for local government employee health plans.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 1351 - HB 1075